

# Financial Results for Fiscal Year Ended March 31, 2024 (FY2023)

June 26, 2024

Chiyoda Corporation

(Stock code: 6366)

## AGENDA:

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  3. The Latest Status
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*Enriching Society through Engineering Value*

## Our SDGs Materiality



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# Summary

# 1. Key Points

## The effects related to the Golden Pass LNG project

- Zachry Industrial, Inc. (“Zachry”), one of our JV partners for Chiyoda’s wholly owned subsidiary, Chiyoda International Corporation (“CIC”) to execute the Golden Pass LNG have filed for Chapter 11 relief under the United States Bankruptcy Code. The JV has been in discussion with its customer to ensure the construction completion along with the court proceeding regarding Zachry’s withdrawal from the project.
- To finalize the financial results, the cost required to complete construction was forecasted and recalculated with the current contract amount based on considerable sufficient costs. [Gross profit: (37.0) billion JPY]
- As a result, equity capital as of the end of March 2024: 4.9 billion JPY (as of the end of March 2023: 22.2 billion JPY)

## Next Steps

- After Zachry's official withdrawal, the JV and customer is planned to agree on a short-term plan under the new JV structure, as well as a long-term plan for completion. Chiyoda will review the profitability, aiming to recover its own capital.
- Emergence of partner risks under the EPC contract in which project partners undertake execution of the project in solidarity have caused this issue. Chiyoda will strive for a sound execution structure through collaboration with Customer/JV partners to mitigate such partner risks.

## Forecast

- Release of the forecast for the fiscal year ending March 31, 2025 is withheld because discussions with the customer of the Golden Pass LNG project have been continuing.
- The next Medium-term Management Plan, which Chiyoda originally planned to disclose in the financial results announcement for the fiscal year ending March 31, 2024, will be announced separately at an appropriate time after re-reviewing the contents based on many factors related to the Project.

# 2. Golden Pass LNG Project Overview

## Golden Pass LNG Export Project



Courtesy of Golden Pass LNG

### ● Customer

Golden Pass LNG Terminal, LLC  
< JV: QatarEnergy 70%, ExxonMobil 30% >

### ● Total Amount of Project / Our Contract Value (At the time of order)

Approx. 1 trillion JPY / Approx. 300 billions JPY

### ● Site Location

Sabine Pass, Texas, USA

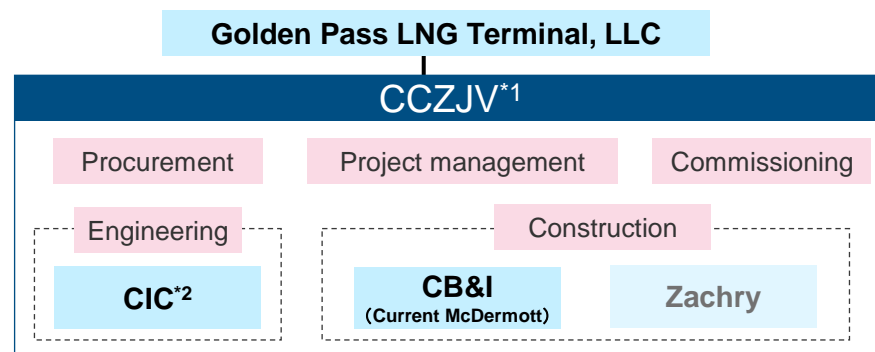
### ● Scope of Work

EPC of the LNG Plant (Capability: 5.2 MTPA x 3 Trains)  
with ancillary facilities

### ● Year of Completion (Initial Plan)

The second half of 2024 (1st Train)

### ● JV Formation



- ✓ Procurement, project management, commissioning: Being undertaken by a joint venture of the three companies. Engineering Lumpsum contractor: CIC, Construction Lumpsum contractor: CB&I and Zachry
- ✓ After Zachry's withdrawal from the Project, the Project is planned to be executed by CIC and CB&I.

\*1 Joint venture of CIC, CB&I and Zachry

\*2 Chiyoda International Corporation (A wholly-owned subsidiary in U.S. of Chiyoda Corporation)

# 3. The Latest Status

~ May 8	●	✓	Golden Pass LNG project in the U.S., discussions has been ongoing between the customer and the JV about the project's implementation in light of the potential withdrawal of Zachry. However, these discussions has not been concluded by the scheduled announcement date, leading to the decision to postpone the announcement of the financial result.
May 22	●	✓	Zachry filed for Chapter 11 relief under the United States Bankruptcy Code on May 21, 2024 in the U.S. time.
June 7, 8	●	✓	The permission from the court regarding the customer's placing orders for business operations such as safety-related tasks required for continuing construction work. Following such permission, procedures for payment of required funds to JV was commenced.
Today (June 26)	●	✓	Announcement of the financial result of FY2023/4Q The cost required to complete construction was forecasted and recalculated with the current contract amount based on considerable sufficient costs.
July 1	●	✓	Annual Securities report is submitted (planned).
2 <sup>nd</sup> Quarter ~ 3 <sup>rd</sup> Quarter	●	✓	After Zachry's official withdrawal, the JV and customer is planned to agree on a short-term plan under the new JV structure, as well as a long-term plan for completion. Chiyoda will review the profitability, aiming to recover its own capital.



## 4. Progress of Major Projects

Project	NFE LNG, Qatar	Copper Smelting Plant, Indonesia
Client	QatarEnergy	P.T. Freeport Indonesia
Partner	Technip Energies	N/A
Year of Completion	2025 to 2027 (four trains)	2024
Progress	Construction ongoing.	Construction is in the final phase for completion.



Courtesy of Qatargas



Courtesy of P.T. Freeport Indonesia

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# Financial Results



# 5. Income Statement

Billions of JPY

	Revised Forecast on February 5, 2024	FY2023	Difference	FY2022
Revenue	500.0	506.0	6.0	430.2
Gross Profit	36.0	<sup>1, 2</sup> (0.2)	(36.2)	32.7
Gross Profit Margin	7.2%	(0.0%)	(7.2pt)	7.6%
SG&A Expenses	(15.0)	(14.8)	0.2	(14.6)
Operating Income	21.0	(15.0)	(36.0)	18.1
Ordinary Income	28.0	(5.5)	(33.5)	20.3
Profit <sup>*1</sup>	18.0	(15.8)	(33.8)	15.2
Exchange Rate JPY/ USD	145	151		134

## 1 Golden Pass LNG project

- ✓ The cost required to complete construction was forecasted and recalculated with the current contract amount based on considerable sufficient costs. ((37.0) billion JPY )

## 2 Breakdown

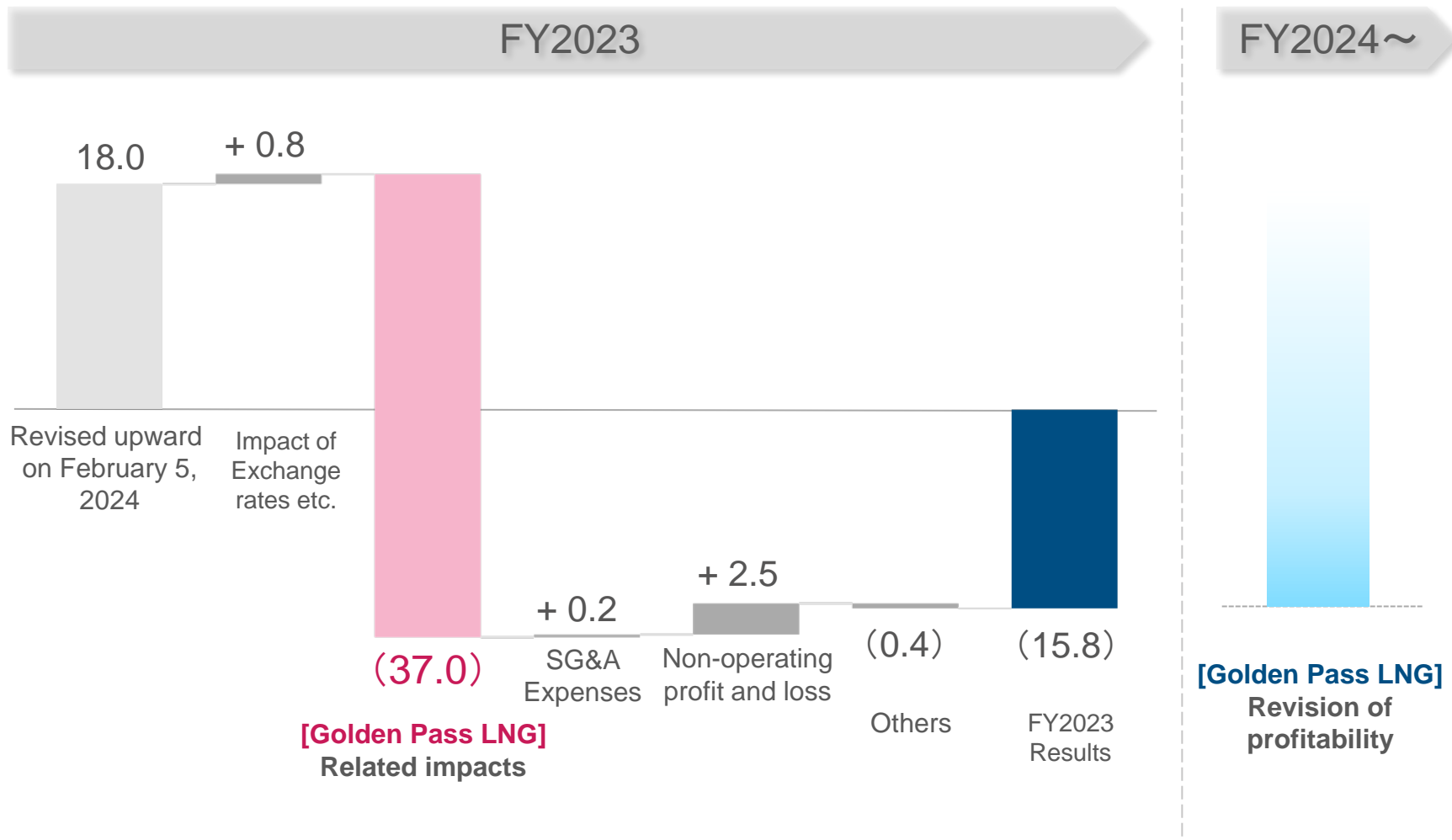
- ✓ Gross Profit

	FY2022	FY2023
Energy	20.9	(22.3)
Global Environment	11.8	22.2
Total	32.7	(0.2)

\*1 Profit attributable to owners of parent

# 6. Profit Analysis

Billions of JPY



# 7. Balance Sheet

Billions of JPY

	FY2022	FY2023	Difference		FY2022	FY2023	Difference
Current Assets	383.0	404.4	21.4	Current Liabilities	356.3	412.2	55.9
Cash and Deposits	61.2	102.1	40.8	Operating Liabilities* <sup>3</sup>	292.7	322.5	29.8
Operating Assets* <sup>1</sup>	58.6	46.5	(12.1)	Provision for Loss on Construction Contracts	27.9	36.5	8.6
Jointly Controlled Assets of JV * <sup>2</sup>	161.6	147.0	(14.6)	Non-Current Liabilities	28.0	8.7	(19.3)
Non-Current Assets	23.6	22.6	(1.0)	Net Assets	22.3	6.1	(16.2)
Total Assets	406.6	427.0	20.4	Total Liabilities and Net Assets	406.6	427.0	20.4
				Shareholders' Equity	22.2	4.9	(17.3)
				Shareholders' Equity Ratio	5.5%	1.1%	(4.3pt)

\*<sup>1</sup> Operating Assets: Notes receivable, accounts receivable from completed construction contracts and contract assets + Costs on construction contracts in progress

\*<sup>2</sup> Jointly Controlled Assets of JV: Cash and deposits of joint venture proportional to Chiyoda's interest

\*<sup>3</sup> Operating Liabilities: Notes payable, accounts payable for construction contracts + Contract liabilities

## 8. New Orders / Backlog

Billions of JPY

	FY2023 New Orders	FY2023 Backlog
Energy	87.8	745.3
Global Environment	149.7	248.5
Total	237.5	993.9

### 【Major Backlog Projects】

	More than JPY 100.0 billion	More than JPY 50.0 billion	More than JPY 5.0 billion
Energy	<ul style="list-style-type: none"> <li>NFE LNG, Qatar</li> </ul>	<ul style="list-style-type: none"> <li>Golden Pass LNG, USA</li> </ul>	---
Global Environment	<ul style="list-style-type: none"> <li>Copper Smelting Plant, Indonesia</li> </ul>	---	<ul style="list-style-type: none"> <li>CO2 Methanation Facility, Japan</li> <li>Biopharmaceutical Manufacturing Plant, Japan</li> <li>Advanced Material Plant, Japan</li> </ul>

# [Att-1] Revenue and Backlog Breakdown

Billions of JPY

## FY2023 Revenue

### 【Business】

ENERGY	275.2	54%
■ LNG Plant, Gas Related Work	244.9	48%
■ Refinery, Petrochemical	30.3	6%
ENVIRONMENT	230.8	46%
■ Pharmaceutical, Biochemistry, Chemical	31.1	6%
■ Environment, New Energy, Infrastructure, Others	199.7	39%
TOTAL	506.0	100%

### 【Region】

OVERSEAS	420.6	83%
■ Middle East & Africa	195.6	39%
■ Americas	17.0	3%
■ Asia & Oceania	207.7	41%
■ Others	0.3	0%
DOMESTIC	85.4	17%
TOTAL	506.0	100%

## FY2023 Backlog

### 【Business】

ENERGY	745.3	75%
■ LNG Plant, Gas Related Work	713.1	72%
■ Refinery, Petrochemical	32.2	3%
ENVIRONMENT	248.5	25%
■ Pharmaceutical, Biochemistry, Chemical	98.0	10%
■ Environment, New Energy, Infrastructure, Others	150.5	15%
TOTAL	993.9	100%

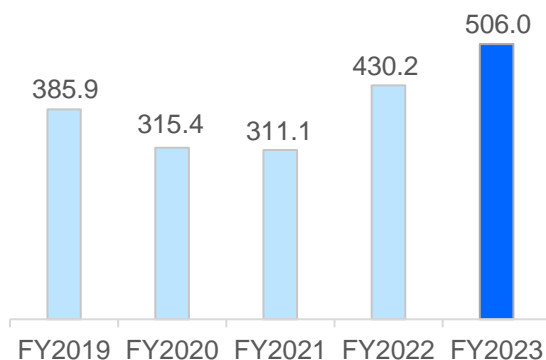
### 【Region】

OVERSEAS	829.6	83%
■ Middle East & Africa	591.2	59%
■ Americas	94.6	10%
■ Asia & Oceania	142.3	14%
■ Others	1.5	0%
DOMESTIC	164.2	17%
TOTAL	993.9	100%

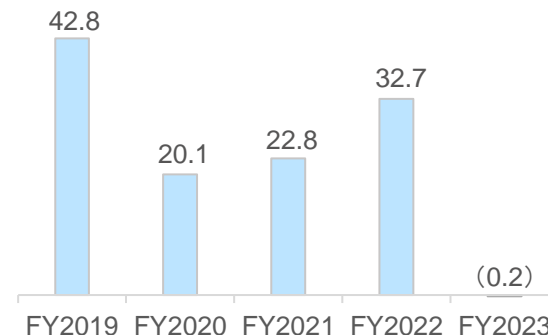
# [Att-2] Results History

Billions of JPY

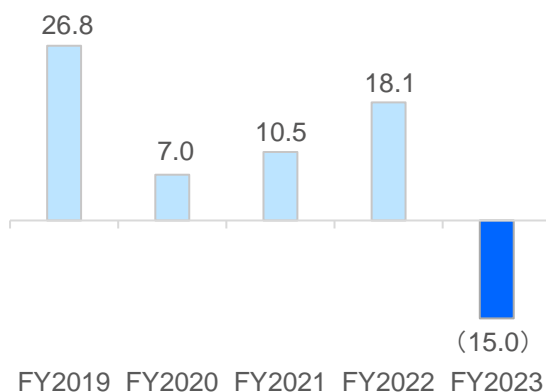
## Revenue



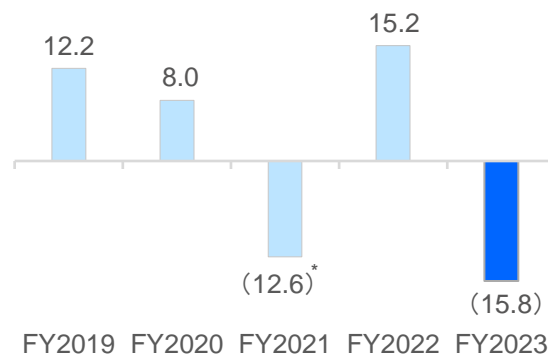
## Gross Profit



## Operating Profit



## Profit



\* The figure includes Extraordinary Losses of JPY 20.4 billion related to the project losses by settlement of lawsuit with a client.



Forward-Looking Statements: Any projections included in these materials are based solely on information available at the time this presentation was prepared. It is possible that actual results may vary significantly from the projections due to a number of risk factors such as economic conditions. The results projected here should not be construed in any way as being guaranteed by the Company. Investor are recommended not to depend solely on these projections for making investment decisions.

**【Inquiries】**

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